

# THE WORKING POOR FAMILIES PROJECT

STATE POLICY ACCOMPLISHMENTS, ISSUE 2 OF 3 ■ OCTOBER 2011

## 2011 STATE POLICY ACCOMPLISHMENTS: WORK SUPPORTS AND JOB QUALITY

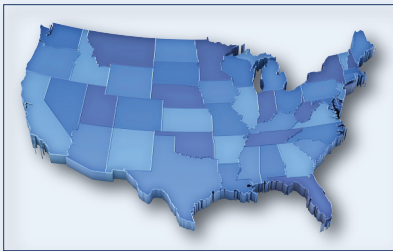
As the nation's unemployment rate continues to hover around nine percent, it is especially important that state supports are in place for the unemployed, and their families, as they search for new jobs. And for those who are in the workforce, many have seen wages and job quality fall, making it even harder to make ends meet.

To address these issues and others important to working families, the Working Poor Families Project (WFPF) provides ongoing training, data analysis and policy expertise to its state partners to strengthen state policies that improve the lives of low-income working families.

The WFPF began almost a decade ago, but its work has never been more important than now. As the U.S. economy continues to struggle, WFPF state partners have pushed forward and seen success in a number of policy areas, including protecting access to public benefits, improving the conditions of employment for workers, expanding funding for job-specific occupational and technical skills and developmental education, and expanding child care funding.

This second-in-a-series update will highlight the state policy accomplishments that WFPF state partners have achieved in work supports and job quality, focusing on the Earned Income Tax Credit, pensions and paid leave, subsidized child care assistance, and unemployment insurance. Future briefs will look at accomplishments in the areas of workforce and skills development programs.

### How WFPF Assists State Partners:



Since its inception, the WFPF has brought together nonprofit organizations concerned about state policies affecting low-income working families. Currently, organizations in 21 states and the District of Columbia are WFPF partners.

WFPF supports state partners to develop policy expertise in specific areas that can increase the economic opportunities for low-income adults.

### We do this by:

- Designing and sponsoring state policy academies led by national experts;
- Researching and developing issue-specific policy briefs with specific recommendations for action;
- Hosting annual learning exchanges with workshops and networking opportunities;
- Convening periodic conference calls on emerging and timely issues;
- Providing annually-updated data, policy and program information that helps shed light on the size and characteristics of low-income working families in each state.

## EARNED INCOME TAX CREDIT

Each year, millions of low and moderate-income working families are lifted out of poverty by state and federal Earned Income Tax Credits (EITCs). State EITCs support the economic security of hard-working families by providing a wage supplement for families who don't make enough to meet their basic needs. WFPF encourages states to reward and encourage work by reducing taxes on the working poor. Twenty-five states plus the District of Columbia have established their own EITCs to supplement the federal credit. Most state EITCs are calculated as a percentage of the federal credit; many are refundable.

**CONNECTICUT:** After years of education and advocacy, the Connecticut Association for Human Services was successful in their leadership of a campaign to create a state Earned Income Tax Credit program. The Connecticut EITC now stands at 30 percent of the federal EITC, which means that more than 180,000 households in Connecticut will receive an average credit of about \$540 during the 2012 tax season.

**NORTH CAROLINA:** The North Carolina Justice Center coordinated a campaign with local level analysis and a broad network of support that effectively stopped legislation to eliminate the refundable portion of the state EITC.

**WFPF encourages states to reward and encourage work by reducing taxes on the working poor.**

## JOB QUALITY

More than one in four workers hold low-wage jobs, jobs that come with few or no benefits. Even when employed full-time, these low-wage workers often lack health insurance, employer-provided pensions and paid leave. Several states are making efforts to improve the conditions of employment for all workers.

**CONNECTICUT:** The Connecticut Association for Human Services contributed to the adoption of a statewide paid leave policy that enables workers to accrue one hour of paid sick time for every 40 hours worked, capped at 40 hours per year. An estimated 200,000 to 400,000 service workers, including waiters, cashiers, fast-food cooks, hair stylists, security guards and nursing home aides, will now be guaranteed some paid leave.

**INDIANA:** The Indiana Institute for Working Families' advocacy efforts contributed to the state legislature passing a resolution that encourages state agencies to use the Self-Sufficiency Standard as a tool for setting personal financial goals when counseling people who seek assistance, education, training, or employment. This standard is a more realistic guide for achieving and maintaining economic self-sufficiency.

## PUBLIC BENEFITS



Public work supports assist families by providing them with access to basic needs such as food, health care and child care. Many work supports act as wage subsidies that bridge the gaps between the low wages paid by many jobs and the high costs of core expenses. These supports have become an essential element of family life for the working poor; they help keep adults employed and families safe. WPPF state partners are leading efforts to protect current supports and increase access to public benefits.

**GEORGIA:** The Georgia Budget and Policy Institute (GBPI) protected proposed cuts in subsidized child care. In order to meet the governor’s across-the-board two percent budget cut requirement, the state Department of Human Services (DHS) budget staff recommended that current and next year budget proposals include a \$6.75 million cut to subsidized child care. This state funding cut would lead to a loss of \$6.3 million in federal matching funds in FY 2012 and \$12.5 million in 2013. DHS estimated that at least 5,100 children would be cut from the subsidized child care program by mid-2012. GBPI’s outreach, education and advocacy efforts, along with the work of other partners, restored the full funding for subsidized child care. As a result of their work, 5,100 children will remain in stable child care while their low-income parents continue to work.

**NEBRASKA:** Nebraska Appleseed educated policymakers about the danger of a proposed change in the state subsidized child care program that would have removed the requirement to place a “floor” on reimbursement rates for child care providers serving families in the program. The proposed change would have resulted in significant decline in access to child care for low-income families; Nebraska Appleseed’s work led to the rejection of this proposal.

**NORTH CAROLINA:** The North Carolina Justice Center helped defeat several proposals to limit access to public benefits including: requiring photo identification for food stamp applications and requiring drug testing for all public benefit programs.

**WASHINGTON:** The Statewide Poverty Action Network supported the design and creation of new outreach and training programs for the state’s new online portal to public benefits.

## UNEMPLOYMENT INSURANCE

The Unemployment Insurance (UI) system provides partial wage replacement to workers who have lost their jobs through no fault of their own. In times of recession and job loss, this insurance system provides a basic safety net to workers and helps ensure that the economic impact of job loss is minimized.

**COLORADO:** As a member of the Unemployment Insurance Reform Task Force, the Bell Policy Center helped develop a comprehensive bill to reform how the UI trust fund is financed. The new financing formula stabilizes funding over the short term and puts in place key changes that insure long-term solvency.

**MAINE:** The Maine Center for Economic Policy supported an emergency Unemployment Insurance bill that provided temporary changes to the extended benefit triggers in the state UI law to take full advantage of the federal extension. If Maine had not passed this bill, approximately 7,100 unemployed Maine workers would have lost benefits.

**MARYLAND:** The Job Opportunities Task Force was actively engaged in a successful effort to enable Maryland to take advantage of the federal unemployment insurance extended benefits program, resulting in state legislation that makes up to 70,000 Marylanders eligible for \$283 million in benefits in 2011.

**NORTH CAROLINA:** The North Carolina Justice Center identified the need to change legislation to extend unemployment insurance and worked to fix the extended benefit trigger through the legislative process and then an executive order from the governor that would provide 47,000 eligible workers without jobs with unemployment insurance.



Launched in 2002 and currently supported by the Annie E. Casey, Ford, Joyce, and Mott foundations, the Working Poor Families Project is a national initiative that works to improve these economic conditions.

The project partners with state nonprofit organizations and supports their policy efforts to better prepare America's working families for a more secure economic future.

**For more information:  
[www.workingpoorfamilies.org](http://www.workingpoorfamilies.org)**